

justification, he or she grants it, and notifies the petitioner in writing. A copy of the letter is placed in the public docket.

(6) The Administrator may attach such conditions as he or she deems appropriate to a grant of a petition, which the manufacturer must follow in order to use the alternative procedure.

[60 FR 47894, Sept. 15, 1995; as amended at 61 FR 46390, Sept. 3, 1996; 62 FR 33761, June 23, 1997; 64 FR 40780, July 28, 1999]

EFFECTIVE DATE NOTE: At 64 FR 40780, July 28, 1999, § 583.6 was amended by revising paragraphs (a), (c)(1)(ii), (c)(3)(ii), and (c)(6), effective June 1, 2000. For the convenience of the user, the superseded text follows:

**§ 583.6 Procedure for determining U.S./Canadian parts content.**

(a) Each manufacturer, except as specified in § 583.5(f) and (g), shall determine the percentage U.S./Canadian Parts Content for each carline on a model year basis, before the beginning of each model year. Items of equipment produced at the final assembly point (but not as part of final assembly) are treated in the same manner as if they were supplied by an allied supplier. All value otherwise added at the final assembly point and beyond, including all final assembly costs, are excluded from the calculation of U.S./Canadian parts content.

\* \* \* \* \*

(c) \* \* \*

(1) \* \* \*

(ii) 0 percent U.S./Canadian, if less than 70 percent of its value is added in the United States and/or Canada.

\* \* \* \* \*

(3) \* \* \*

(ii) 0 percent U.S./Canadian, if less than 70 percent of its value is added in the United States and/or Canada.

\* \* \* \* \*

(6) For carlines which are first offered for sale to ultimate purchasers before January 1, 1999, if a manufacturer or allied supplier requests information in a timely manner from one or more of its outside suppliers concerning the U.S./Canadian content of particular equipment, but does not receive that information despite a good faith effort to obtain it, the manufacturer or allied supplier may make its own good faith value added determinations, subject to the following provisions:

(i) The manufacturer or allied supplier shall make the same value added determina-

tions as would be made by the outside supplier, i.e., whether 70 percent or more of the value of equipment is added in the United States and/or Canada;

(ii) The manufacturer or allied supplier shall consider the amount of value added and the location in which the value was added for all of the stages that the outside supplier would be required to consider;

(iii) The manufacturer or allied supplier may determine that the value added in the United States and/or Canada is 70 percent or more only if it has a good faith basis to make that determination;

(iv) A manufacturer and its allied suppliers may, on a combined basis, make value added determinations for no more than 10 percent, by value, of a carline's total parts content from outside suppliers;

(v) Value added determinations made by a manufacturer or allied supplier under this paragraph shall have the same effect as if they were made by the outside supplier;

(vi) This provision does not affect the obligation of outside suppliers to provide the requested information.

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**§ 583.7 Procedure for determining major foreign sources of passenger motor vehicle equipment.**

(a) Each manufacturer, except as specified in § 583.5(f) and (g), shall determine the countries, if any, which are major foreign sources of passenger motor vehicle equipment and the percentages attributable to each such country for each carline on a model year basis, before the beginning of each model year. The manufacturer need only determine this information for the two such countries with the highest percentages. Items of equipment produced at the final assembly point (but not as part of final assembly) are treated in the same manner as if they were supplied by an allied supplier. In making determinations under this section, the U.S. and Canada are treated together as if they were one (non-foreign) country. The country of origin of nuts, bolts, clips, screws, pins, braces, gasoline, oil, blackout, phosphate rinse, windshield washer fluid, fasteners, tire assembly fluid, rivets, adhesives, grommets, and wheel weights, used in final assembly of the vehicle, is considered to be the country where final assembly of the vehicle takes place.

(b) *Determining the value of items of equipment.* The value of each item of equipment is determined in the manner specified in § 583.6(b).

(c) *Determining the country of origin of items of equipment.* (1) Except as provided in (c)(2), the country of origin of each item is the country which contributes the greatest amount of value added to that item (treating the U.S. and Canada together).

(2) Instead of making country of origin determinations in the manner specified in (c)(1), a manufacturer may, at its option, use any other methodology that is used for customs purposes (U.S. or foreign), so long as a consistent methodology is employed for all items of equipment, and the U.S. and Canada are treated together.

(d) *Determination of the percentage of the total value of a carline's passenger motor vehicle equipment which is attributable to individual countries other than the U.S. and Canada.* The percentage of the value of a carline's passenger motor vehicle equipment that is attributable to each country other than the U.S. and Canada is determined on a model year basis by—

(1) Adding up the total value of all of the passenger motor vehicle equipment (regardless of country of origin) expected to be installed in that carline during the next model year;

(2) Adding up the value of such equipment which originated in each country other than the U.S. or Canada;

(3) Dividing the amount calculated in paragraph (d)(2) of this section for each country by the amount calculated in paragraph (d)(1) of this section, and multiplying each result by 100.

(e) A country is a major foreign source of passenger motor vehicle equipment for a carline only if the country is one other than the U.S. or Canada and if 15 or more percent of the total value of the carline's passenger motor vehicle equipment is attributable to the country.

(f) In determining the percentage of the total value of a carline's passenger motor vehicle equipment which is attributable to individual countries other than the U.S. and Canada, no value which is counted as U.S./Canadian parts content is also counted as being

value which originated in a country other than the U.S. or Canada.

[59 FR 37330, July 21, 1994, as amended at 60 FR 47895, Sept. 15, 1995; 64 FR 40781, July 28, 1999]

EFFECTIVE DATE NOTE: At 64 FR 40781, July 28, 1999, § 583.7 was amended by revising paragraph (a), effective June 1, 2000. For the convenience of the user, the superseded text follows:

**§ 583.7 Procedure for determining major foreign sources of passenger motor vehicle equipment.**

(a) Each manufacturer, except as specified in § 583.5 (f) and (g), shall determine the countries, if any, which are major foreign sources of passenger motor vehicle equipment and the percentages attributable to each such country for each carline on a model year basis, before the beginning of each model year. The manufacturer need only determine this information for the two such countries with the highest percentages. Items of equipment produced at the final assembly point (but not as part of final assembly) are treated in the same manner as if they were supplied by an allied supplier. In making determinations under this section, the U.S. and Canada are treated together as if they were one (non-foreign) country.

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**§ 583.8 Procedure for determining country of origin for engines and transmissions (for purposes of determining the information specified by §§ 583.5(a)(4) and 583.5(a)(5) only).**

(a) Each supplier of an engine or transmission shall determine the country of origin once a year for each engine and transmission. The origin of engines shall be calculated for engines of the same displacement produced at the same plant. The origin for transmissions shall be calculated for transmissions of the same type produced at the same plant. Transmissions are of the same type if they have the same attributes including: Drive line application, number of forward gears, controls, and layout. The U.S. and Canada are treated separately in making such determination.

(b) The value of an engine or transmission is determined by first adding the prices paid by the manufacturer of the engine/transmission for each component comprising the engine/transmission, as delivered to the assembly